



STATE OF CONNECTICUT
LIEUTENANT GOVERNOR NANCY WYMAN

Health Care Cabinet:
Business Plan Development Work Group

Monday, February 6, 2012
Meeting Minutes

Cabinet Attendees: *Nancy Yedlin, Co-Chair; Ellen Andrews; Phil Boyle; Demian Fontanella; Bonita Grubbs; David Guttchen; Alex Hutchinson; Linda St. Peter*

Office of the Healthcare Advocate: *Africka Hinds-Ayala*

Absent: *Frances Padilla, Co-Chair; Ed Claire; Tom Woodruff*

Co-Chair Nancy Yedlin opened the meeting by welcoming members and reviewing the Group Charge, which is posted [online](#). Work group members and guests introduced themselves. Minutes from the January 23, 2012 meeting were approved with minor changes. Co-Chair Yedlin reported that a representative from the Health Insurance Exchange will address this work group in a future meeting. She said she would prepare questions for this. She clarified and expanded [Take-Aways](#) from last month's meeting, which are posted online.

Phil Boyle led a discussion of the small group market in CT. He provided an overview which is available [online](#). This was followed by a roundtable discussion to provide perspectives from this work group's internal experts. Linda St. Peter shared her personal experiences as a small business owner and manager, including helping businesses to grow and navigating insurance plans. Tony Pinto, an independent insurance agent/broker, related his experiences in the industry. Health insurance became his primary focus, and he learned that the large and small employee markets differ greatly. He also deals with the multicultural market and the special challenges presented therein. He added that as these markets merge when the Exchange rolls out, there's an opportunity to level the playing field and ensure that everybody has adequate coverage. He also said he's been attending many healthcare reform related meetings, keeping tabs on things and providing input. He described his efforts to obtain an affordable plan for himself. Ellen Andrews cited statistics showing that the number of private employers in CT offering health coverage has dropped in recent years, particularly for very small businesses. She said that in her own business, employees receive a very good benefit plan which contributes to employee retention. This will be even more important when people are legally required to carry health insurance, and will give employers more incentive to provide it. Ms. Andrews added that this work group and the Exchange should determine what regulations need to change and what innovations aren't taking place.

There was a discussion about the CT Business & Industry Association (CBIA) Exchange. Ms. Andrews said the Mercer report suggests that CBIA should handle the Exchange. Mr. Boyle replied that more competition is good because it offers more choices for small businesses. Co-Chair Yedlin emphasized the importance of making the Exchange user friendly and having affordable options. Bonita Grubbs said that for her nonprofit organization, every year she has to choose from very few plan options, with typical increases of 15 - 20% for premiums with no increase in benefits. She added that she has a loyal workforce

of older, long term employees who at one time had an excellent plan, whereas now there are lots of costs incurred to the employees in order to keep premiums down while being easy to navigate. She added that her organization looked at CBIA but felt it wasn't affordable. She also said carriers shouldn't be able to increase rates without good reason, and that mitigating this would help nonprofits immensely.

Co-Chair Yedlin said the Basic Health Plan (BHP) should fit into this and asked for comments. Alex Hutchinson said that conceptually the BHP is worth looking at but there needs to be an analysis of whether it does what it's intended to do or just adds another layer that causes confusion for people. An unidentified speaker said there are questions about the affordability of the BHP. Ms. Andrews said it's unrealistic to expect low income populations, such as those currently on HUSKY, to get the care they need if they have to pay for premiums, co-pays, deductibles and maintenance medications. Co-Chair Yedlin pointed out that providers are concerned that the network will become more restricted and reimbursement rates will drop. She added that this will need further study. There was a brief discussion about funding for the BHP, with an emphasis on the equally important issues of affordability and access.

Mr. Hutchinson mentioned a US Senate bill that excludes commissions paid to brokers specifically for individuals and small group products from the medical loss ratio calculation. Mr. Boyle said that brokers provide a valuable service in educating consumers and helping them to understand the system. He added that it will be interesting to see how the individual mandate plays out and whether consumers will decide to pay a penalty rather than purchase insurance. Ms. Andrews mentioned the importance of linking payment to quality of care and considering the value of the programs offered.

Future meeting dates for this work group are:

February 23	March 5
March 19	April 5
April 30	May 21
June 18	

Public comments from Paul Smith, President of Connecticut Benefit Brokers, were that this work group needs to address costs. He added that health care is expensive, and in order to lower costs there needs to be an emphasis on wellness and behavioral change. He added that tort reform would help with this. He said if government pays its fair share, all private health insurance will be affordable.

Meeting was adjourned. **Next meeting will be on February 23, 2012 at 3:00 pm.**